

Proving ethanol & E15—at 200 mph

More than 75 million NASCAR® fans receiving positive ethanol messages every week.

May 2011

cornstalk

www.NebraskaCorn.org

With the checkered flag signaling Trevor Bayne's victory at the Daytona 500, a small group of farmers were in the stands with 180,000 other fans—and millions on TV—to witness more than just the unknown driver's first NASCAR® Sprint Cup victory. They were there to mark the first race using Sunoco Green E15, a 15 percent homegrown corn ethanol blend adopted by NASCAR this year.

NASCAR announced last fall that it was taking its environmental commitment to the next level by using E15 across all three of its national touring series. The fuel switch created an opportunity for corn farmers via the National Corn Growers Association and ethanol producers via Growth Energy to come together and form American Ethanol—and become an Official Sponsor of NASCAR.

With the agreement finalized, American Ethanol is powering NASCAR—and Nebraska corn farmers are playing a key role thanks to the backing of American Ethanol by the Nebraska Corn Board.

The result means positive messages about ethanol and E15 are in front of millions of NASCAR fans every week and American Ethanol—www.AmericanEthanolRacing.com—and Nebraska farmers are along for the ride.



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A Publication of the Nebraska Corn Board



So what made NASCAR an attractive option to promote ethanol and E15?

"NASCAR is one of the most effective marketing and advertising organizations in the world, and it's safe to say that partnering with it raises the visibility of ethanol to new heights," said Curt Friesen, chair of the Nebraska Corn Board's market development committee. "It also offers us an opportunity to communicate with larger audiences on a national level and is by far the largest ever communications undertaking by our industry."

Initially, the American Ethanol partnership puts "American Ethanol" in green around every fuel port in the Sprint Cup Series, Nationwide Series and Camping World Trucks Series. The American Ethanol logo is also featured in the green flag used in every race – similar to the 120,000 miniature green flags handed out at the Daytona 500 – and ethanol and corn farmer messages are announced over the public address system at races.

Included in the partnership are TV and radio advertising – spots that add significant value to the agreement and allow positive farmer and ethanol messages to be shared with millions of viewers and listeners every week. Through the first five races of the season, those spots are estimated to be worth more than \$4 million. Some races also feature an in-car camera tagged with American Ethanol – and sometimes this live race feature comes right after a TV ad to further emphasize and feature ethanol.

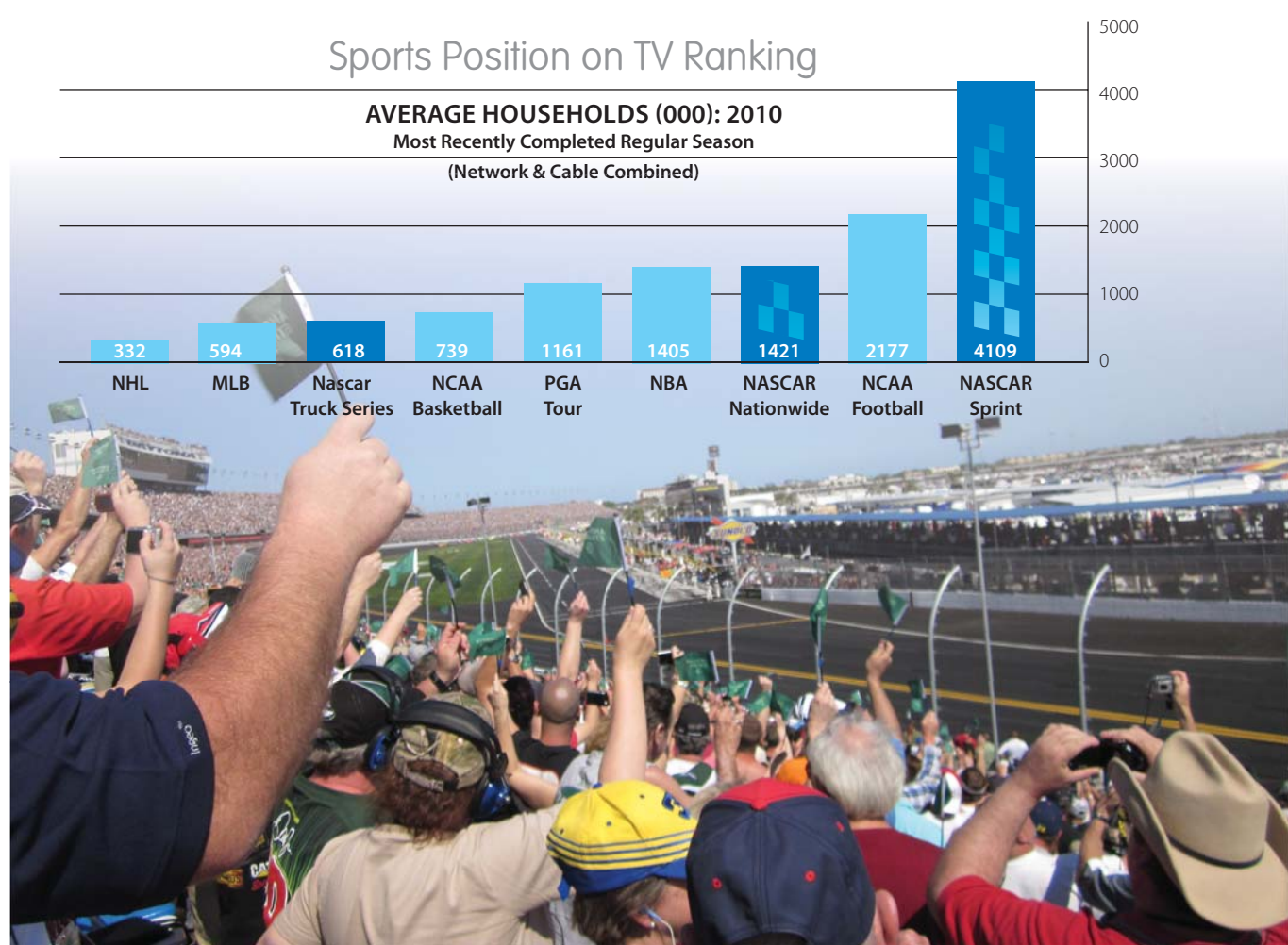
At-track promotions for fans continue to evolve and are a component of the sponsorship. Some at-track events will include combines and other farm equipment to draw the interest of fans who, upon entering the area, will receive positive ethanol and farm messages. NCGA is also coordinating efforts at specific races to make a big push in promoting ethanol – including several tracks in the Midwest.

"NASCAR people know ethanol. They did their homework," said Tim Scheer, a Nebraska Corn Board member who was among the group of farmers in the stands at Daytona – his first NASCAR race. He is also a member of NCGA's ethanol committee.

"They know the many positives a home-grown fuel brings to the table, from jobs to environmental performance," he said. "NASCAR has incredible reach, with its three racing series all in the top 10 of TV viewership. They talk about ethanol frequently and in Daytona, NASCAR officials shared ethanol facts with other sponsors and partners, including business leaders from across the country. It's a smart, well-run organization and having them promote ethanol is a very positive development."

This chart shows TV rankings (tenth to second) in terms of households for major sports. The NFL is first, and not shown, but the three NASCAR racing series rank second, fourth and eighth. (Source: NASCAR and Nielsen)

Miniature green flags bearing the American Ethanol logo were handed out ahead of the Daytona 500 in February.



American Ethanol is one of only a couple of sponsors who are involved in all three racing series, and with that comes additional reach, as all three are popular among fans and on TV. In 2010, the Sprint Cup Series reached an average of 4.1 million households each week, which was second only to the NFL – but TV ratings for races have been up this year. Daytona 500 TV ratings, in fact, were up 17 percent over 2010.

“NASCAR is very proud to welcome as partners the hard-working family farmers all over the United States who grow the corn that will be used in our new Sunoco Green E15 fuel,” said Brian France, NASCAR chairman and CEO. “We are happy our sport can play a part in creating jobs and fostering energy independence by using a renewable fuel that is grown and produced in America.”

Friesen said while NASCAR provides a big stage for corn ethanol and farmers, it’s also a proving ground for E15 – the ethanol blend approved by the Environmental Protection Agency in 2010.

“We’re seeing E15 proven at every race, with drivers saying they are getting more horsepower with ethanol than they were without,” Friesen said. “The fact these incredibly powerful cars are using E15 at 200 mph for hundreds of miles certainly says a lot about the performance of the fuel. It gives us new ways to talk about and promote E15 as being a great fuel for everyone.”



Blender pump bonus

While reaching a point of making E15 available at more pumps is a move in the right direction, another positive step would be the installation of more blender pumps that can offer everything from E10 to E30 to E85 and everything in between.

This would increase fuel options and allow motorists to use the ethanol blend they prefer, such as E10 or eventually E15 in their newer model car or E30 or E85 in their flex fuel vehicle.

The Nebraska Corn Board continues to make \$5,000 grants available to station owners who want to upgrade to blender pumps. A new federal grant program is also being worked out following Agriculture Secretary Tom Vilsack’s announcement last fall that USDA will use existing funds within Rural Development to support the installation of 10,000 blender pumps across the country over the next five years.

“Blender pumps give motorists better access to more ethanol,” said Kim Clark, ag program manager for the Nebraska Corn Board, “and that’s good for Nebraska and the country as a whole.”

A couple blender pumps have opened in Nebraska this year – and more are in the works. “We’d like to see even more, though,” Clark said. “Farmers encouraging station owners to make the switch will help, and station owners can call us or go to www.byoethanol.com for more information.”

E15 coming soon?

While NASCAR drivers are churning out mile after mile on E15 in some pretty demanding circumstances, it may take a bit longer for motorists across Nebraska to see the ethanol blend at gas stations.

Although the Environmental Protection Agency expanded its E15 approval to cars made in 2001 and newer in January – some 120 million vehicles on the road today – additional time to move from approval to the marketplace was expected. In 2009 following a Nebraska Corn Board initiative, more than 5,000 Nebraskans filed comments with EPA supporting a waiver to allow blends of up to E15.

“While we appreciated EPA following the science on E15 and approving it in more cars, there are still some regulatory procedures that must be worked through,” said Jon Holzfaster, a Nebraska Corn Board member who is also on the National Corn Board. “Labeling is one issue, since E15 blends need to be labeled and EPA’s draft label was not the most friendly to ethanol. We need to do some work there.”

It is hoped that E15 will move into some stations later this year, although exact timing is difficult to predict because of the EPA process. The sooner, the better, however, because the United States has nearly reached its ethanol blend wall, which explains why some U.S. ethanol is being exported.

“We would like ethanol to stay in the U.S., but need to expand the marketplace to make room for it,” Holzfaster said. “Since a majority of cars on the road today can operate safely and efficiently on E15, we need to keep moving in that direction and take a lead from its success in NASCAR.”

Nationwide driver Kenny Wallace’s No. 09 was the first “paint out” featuring American Ethanol. It ran under the lights for a night race in Texas in early April.



American Ethanol

Connecting with drivers

In addition to the American Ethanol sponsorship with NASCAR, which puts “American Ethanol” on (and in) every NASCAR car and truck, American Ethanol has partnered with two drivers – No. 33 Clint Bowyer in the Sprint Cup Series and No. 09 Kenny Wallace in the Nationwide Series.



NASCAR driver No. 33 Clint Bowyer addresses media before the NASCAR Sprint Cup Series race in Las Vegas. American Ethanol is a sponsor of Bowyer, who conducts interviews where he talks about the benefits of ethanol. American Ethanol will be the primary sponsor for Bowyer's car at the Kansas Speedway 400 to be held June 5.

Bowyer, who is from Emporia, Kan., is one of the top drivers in the Sprint Cup Series. American Ethanol will be his primary sponsor at the June 5 Kansas Speedway 400, where his No. 33 Chevrolet will be painted primarily with American Ethanol logos. You can follow him on Twitter at twitter.com/RCR33CBowyer.

“Born and raised in the Midwest, it’s truly an honor to support American farmers as they strive to develop energy independence for our country,” Bowyer said in the announcement.

In an interview on Sirius Radio, Bowyer said E15 is an “incredible product that we’re all benefitting from” and that ethanol creates thousands of jobs, is good for farm communities and provides extra horsepower on the racetrack. He also noted that since American Ethanol is on (and in) every car, it is guaranteed a spot in victory lane at every race.

Bowyer drives for Richard Childress Racing – and its president and CEO Richard Childress, a well-known NASCAR figure, is part of the sponsorship. In addition to being spokespeople, Childress and Bowyer will make personal appearances on behalf of American Ethanol throughout the year.

Wallace drives in the Nationwide Series and is also a TV commentator on the SPEED Channel. He and his No. 09 Toyota Camry are also sponsored by Family Farmers, a multi-state coalition of farmers and agribusinesses. Wallace was sponsored for part of the 2010 season by Illinois corn farmers.

“Getting to know the hard working family farmers of this country has been a fantastic experience for me,” Wallace said. “I’m so excited to be a spokesperson for them, sharing true knowledge about what they do and the products and food that are made from their crops.”



Wallace is part of RAB Racing and often communicates with fans via Twitter – including tweeting frequently about ethanol.

You can follow him at twitter.com/Kenny_Wallace and are apt to find him answering ethanol questions. In a late March series of tweets, Wallace noted:



“I am a Spokesperson for ‘American Ethanol’ I Chose to represent Ethanol Because I have been on The Farm...TRUE KNOWLEDGE”;

“Only 3 percent of the Worlds Corn is used for Ethanol...**3 Percent!**..There is NO problem with Food.”, and

“OPEC is afraid of Ethanol...Do not let Voo Doo Lies get to you!..You are a American!..Pay for American Made Fuel!..NOT Middle Eastern Oil.”

NASCAR driver No. 22 Kurt Busch (above) is awarded the American Ethanol Green Flag Restart Award for his performance following the NASCAR Sprint Cup Series race in Phoenix. The Restart Award goes to the driver who has the fastest average speed on restarts and finishes the race on the lead lap.



Blenders credit—what's next?

A push to get the Volumetric Ethanol Excise Tax Credit (VEETC) through Congress last fall was successful. The extension ensured the 45-cent credit for gasoline blenders, an offsetting tariff on imports and a 10-cent per gallon small-producer tax credit for ethanol, would continue through 2011.

In the meantime, some proposals early this year sought to end VEETC immediately – although delayed at press time, the effort was expected to continue.

Modifications to VEETC and other ideas are open to discussion for future years; however, the Nebraska Corn Board and National Corn Board need input and direction from growers.

"We need farmers to offer their suggestions and be involved as Congress looks to end, extend, change or create new ethanol and biofuel programs," said Alan Tiemann, chairman of the Nebraska Corn Board. "The voice of corn farmers adds a lot to the discussion and is critical to the process. I'd encourage anyone interested to contact the office and let us know."

What about oil subsidies?

As this edition to *CornsTALK* was going to press a debate was occurring in D.C. on whether to end ethanol "subsidies" – yet there has been no discussion on ending the dozens of direct tax breaks and loopholes written specifically for oil.

A 2009 study from the Environmental Law Institute said federal subsidies of traditional fossil fuels totaled more than \$70 billion between 2002 and 2008, while support of corn ethanol totaled only \$16.8 billion over that same time frame.

An exhaustive study by DTN said U.S. taxpayers' support of oil totals between \$133.2 billion and \$280.8 billion annually if all tax deductions, credits and other public benefits to the oil industry are included. DTN's figure drops to between \$100 billion and \$200 billion if military efforts in the Persian Gulf are subtracted. (DTN's ethanol estimate is \$16 billion.)

Even the *New York Times* – no lover of ethanol – has reported that "oil production is among the most heavily subsidized businesses," and noted that BP's lease of Deepwater Horizon (the well that exploded, killing 11 people and leading to millions of gallons of oil polluting the Gulf) resulted in a *daily* tax write-off of \$225,000 (for more on the Times report see <http://nyti.ms/fz6SH6>).

This American Ethanol car was in Las Vegas where the NASCAR sponsorship was announced. It was also on the trade show floor at Commodity Classic.



By Alan Tiemann, Chairman

In the summer of 2008, we produced a "CornsTALK" newsletter with the headline "Charging ahead with the truth on food and fuel." It was a continuation of efforts begun in the fall of 2007, just ahead of a very public attack on ethanol by the Grocery Manufacturers Association, some of its surrogates and well-funded lobbyists.

Even before the GMA campaign was exposed, we had a sense that the attacks on corn and ethanol relating to food costs and availability were coordinated – and it turned out we were right.

The well-known Yogi Berra line "It's déjà vu all over again" came to mind with some of the lobs being tossed our way again this year. While there is some media attention on the contrived "food versus fuel" issue, I am hopeful that most mainstream media don't fall in as deeply with the anti-ethanol crowd this time around. After all, we're hearing many of the same lines we heard before – and the anti-ethanol gang still doesn't get the facts right.

Fortunately, some sound reports looking back at the 2007-08 period come in squarely on our side. A World Bank report from July 2010 is one example, and a U.K. government report from March 2010 is another. Both acknowledged that biofuels had a relatively small contribution to the 2008 spike in commodity prices. The World Bank report is particularly noteworthy because a "leaked" draft of the report implied corn ethanol was mostly to blame. The final 2010 report, however, said biofuels did not have as large of an impact as originally thought.

Just like a few years ago, it is easy to spot the reasons for food prices inching up and they are not all that different – the rising price of oil and associated energy costs, currency fluctuations, trade policies that disrupt global markets and market speculation.

These are the messages we will deliver when asked about food and fuel. We'll also remind people that more than ethanol comes from a corn ethanol plant. Distillers grains continue to be overlooked by the media and anti-ethanol crowd.

The Governors' Biofuels Coalition has asked the U.S. Department of Agriculture to better account for distillers grains in its supply/demand reports. This would be helpful considering the high feed value of distillers grains – and the fact that there is now more distillers grains produced in the United States than soybean meal.

Fieldnotes

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'Become A FAN' takes messages, personal stories to consumers



Perhaps you've seen a commercial talking about the future of agriculture – how dairy cows are healthier than ever, that more piglets survive their first month, how cattle are handled in a less stressful way and poultry are kept safe and healthy. After each segment, a farm family is shown telling viewers “that future is now” on their farm.

It's all part of the “Become A FAN” initiative conducted by the Alliance for the Future of Agriculture in Nebraska, or A-FAN. The goal is to educate consumers and encourage people to ‘Become A FAN’ of agriculture by going to www.BecomeAFAN.org. You can also become a fan on Facebook at www.facebook.com/BecomeAFANofAgriculture.

TV commercials and profiles of farmers featured can also be found on A-FAN's YouTube channel at www.youtube.com/BecomeAFANtv.

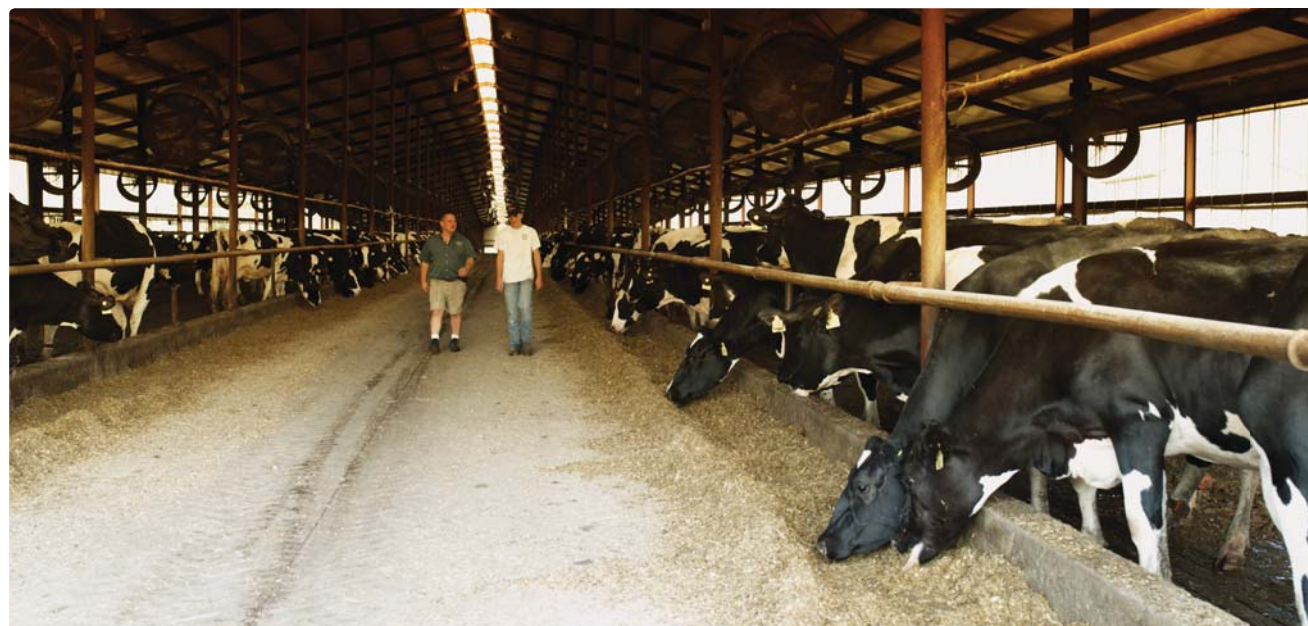
“A-FAN is helping raise the awareness of all Nebraskans to how livestock is raised today,” said its director Willow Holoubek. “We want people to know all the good things farmers are doing. This A-FAN initiative provides an opportunity for farmers to openly share their story, and what a great story they have to tell.”

An important message throughout the commercials and farmer profiles online is that Nebraska farmers are simply some of the best in the world.

“Farmers use modern technology, they follow environmentally sound farming practices and get better and better each year in raising their crops and livestock,” said Dave Merrell, a member of the Nebraska Corn Board who volunteers on an A-FAN committee. The Nebraska Corn Board is one of the founding partners of A-FAN and continues to support the organization's efforts.

“For example, cattle that are less stressed become better beef in the grocery store, which is why farm families work so hard to handle their cattle carefully with an eye on animal well-being,” Merrell said. “Farmers believe they have a personal responsibility to care for their cattle, for all livestock, in that way, and we need to show consumers that farmers are committed. ‘Become A FAN’ helps achieve that.”

Dan Rice (left) discusses business of the day with his son, Ben, at Prairieland Dairy in Firth. Prairieland is a family operation that was one of four farm families profiled in the Become A FAN program conducted by A-FAN. Other families profiled were involved in the pork, beef and egg laying sectors.



Holoubek said in addition to the commercials and farmer profiles, A-FAN continues to make presentations and engage others when it can.

For example, A-FAN teamed up with RFD-TV in February to tell what it is doing in Nebraska to promote agriculture. Included in the program were two farm families profiled in the Become A FAN initiative plus a spokeswoman from CommonGround, a program that encourages farm women to reach out to other women on food and agriculture issues.



In the past, A-FAN has conducted bus tours, giving a wide variety of people access to livestock farms and farmers. Holoubek said A-FAN is looking to do that again this fall. "The bus tours are a great opportunity for people to see a farm first hand. To see the animals, the facilities and meet the farmers," she said. "It's showing the truth of food animal production in Nebraska."

In 2009, Terry O'Neel, a pork producer from Friend, helped those on an A-FAN bus tour learn more about pork production. A-FAN is planning bus tours later this year to give more people a first hand look at farms.



By Don Hutchens, Executive Director

It seems we are all in the business of having to defend agriculture at a time when it is providing the most good for not only our state but for our country.

Nowhere in the world do you get it as good as we have it here, but there are those who want to throw a blanket over our crop and livestock industry to claim that we shouldn't use biotechnology to expand our productivity. There are those who claim that livestock producers in general are confining their animals, mistreating them and we need to go to open range for all of our animals. There are those who claim corn was meant for only food, not to feed livestock or convert into ethanol.

Sometimes these claims are made by educated people who failed the course work in logic or common sense like the educated scholar who wanted to blame corn/ethanol for the jet that went down in the Hudson River. Sometimes it is by a well funded lobbying organization that shows pictures of downer animals and claims that's how all animals are treated – and then uses that message to generate millions of dollars from unsuspecting donors. Sometimes it is orchestrated by a couple of guys who want to sell their movie called "Food Inc." or "King Corn" or by an author who wants to sell millions of books like "Omnivores Dilemma". The list goes on and on and on.

Now we in agriculture can either sit idly by hoping that everyone understands the true facts or we can pick ourselves up, brush ourselves off and educate, inform, showcase, demonstrate and defend what our industry brings to the table.

A couple of examples of how your checkoff dollars are invested in telling your story include: The Sustaining Innovation Campaign – growing more with less; Corn Farmers Coalition – taking facts inside the beltway; the U.S. Farmers and Ranchers Alliance – a number of national agriculture organizations coming together to defend the entire family of agriculture; and, finally, one of my favorites – CommonGround.

CommonGround is an effort launched in five states, including Nebraska, by the National Corn Growers Association and the United Soybean Board. We have three young farm women in



Nebraska who are putting a new face on production agriculture, including Dawn Caldwell of Edgar, Kristen Eggerling of Martell and Shana Beattie of Sumner. These ladies are smart, hard working, articulate, committed, educated scholastically and in the real world of life, and they have great leadership skills. I see a new level of women who can frankly make the naysayers look foolish.

You can argue over the myths that are being put out but you can't argue and win when these ladies share their story, their facts, their compassion and the common sense of what agriculture does bring to the table each and every day to not only America, but to tables around the world. We're talking food, feed, fiber and fuel.

The pundits, the naysayers, the whiners, the book and movie sellers, they don't have the day-to-day life experiences. And they certainly don't have the credentials to stand in front of consumers like these three ladies from Nebraska.

From the Corner Office



From left: Don Hutchens, executive director of the Nebraska Corn Board; Ken Anderson, Media Appreciation Award winner; Ralph Holzfaster, Ag Achievement Award Winner; Chuck Woodside, Ethanol Industry Appreciation Award winner; Dan Rice representing Prairieland Dairy, Livestock Industry Appreciation Award winner, and Alan Tiemann, chairman of the Nebraska Corn Board.

Nebraska Corn Board presents several awards

Each year, the Nebraska Corn Board recognizes those in its related industries who help promote, develop and defend the corn industry – and agriculture in general.

It's a way to pay tribute to an outstanding representative in the grain elevator, livestock, and ethanol industries, as well as awarding an individual in the media and overall ag achievement.

Dale Hayek was named the Elevator Industry Appreciation Award recipient. Hayek is with Farmers Cooperative, headquartered in Dorchester, Neb. He was chosen for his proven leadership in explaining the benefits of the corn checkoff and its investments, as well as supporting Nebraska agriculture.

The Livestock Industry Appreciation Award was given to Prairieland Dairy of Firth, Neb., with Dan Rice being present to accept the award. This award honored Prairieland Dairy for its recognition of the value of corn and corn co-products, the corn checkoff investment towards livestock programs, and consumer education of the importance of the livestock industry to the state.

The Ethanol Industry Appreciation Award was given to Chuck Woodside, Chief Executive Officer of KAAPA Ethanol LLC, a farmer-owned ethanol plant in Minden, Neb., for his commitment to supporting Nebraska agriculture through the production of ethanol.

The Media Appreciation Award was awarded to Ken Anderson of the Brownfield Network, Lincoln, Neb., for his dedication to the corn industry and helping to tell agriculture's story.

The Ag Achievement Award honored someone who has carried the torch, not just this year, but for many years. This award was given to Ralph Holzfaster of Paxton, Neb., for his ability to demonstrate vision, commitment and a deep understanding of the value of agriculture and the corn checkoff to the state of Nebraska.

Social media webinars continue

There are a number of new tools available for farmers to communicate with each other and with consumers and the media. Farmers have a great story to tell and these tools make it easier to do so! To explore these tools, the National Corn Growers Association is coordinating monthly webinars – online tutorials – specifically for farmers.

The free, hour-long webinars are sponsored by Pioneer Hi-Bred and are archived online, so farmers can go back and view them whenever it is most convenient.

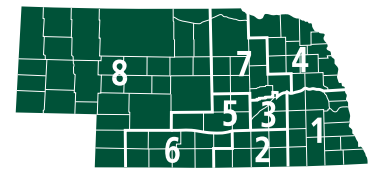
Upcoming webinars are May 19, June 16, July 21, August 18, September 15, October 20, November 17 and December 15. Times and topics are announced prior to the webinars.

For more, go to www.ncga.com/socialmedia.



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Nebraska Corn Board members represent the eight districts indicated on the map and are appointed by the Governor. One at-large member is elected by the other Board members.



District 1
Dave Nielsen
Lincoln, NE



District 2
Mark Jagels
Davenport, NE



District 3
Curtis Friesen
Henderson, NE



District 4
Bob Dickey
Laurel, NE



District 5
Tim Scheer
St. Paul, NE



District 6
Dennis Gengenbach
Smithfield, NE



District 7
David Merrell
St. Edward, NE



District 8
Jon Holzfaster
Paxton, NE



At-large
Alan Tiemann
Seward, NE